

File No. 30123

RICHMOND-EUREKA MINING COMPANY,)
 a corporation,)
 to)
 EUREKA CORPORATION LIMITED,)
 a corporation.)

AGREEMENT

AGREEMENT

THIS AGREEMENT made as of the 1st day of December, 1953, by and between RICHMOND-EUREKA MINING COMPANY, a corporation organized and existing under the laws of the State of Maine, Party of the First Part, and hereinafter called "Richmond-Eureka", and EUREKA CORPORATION LIMITED, a corporation organized and existing under the laws of the Province of Nova Scotia, Dominion of Canada, Party of the Second Part, and hereinafter called "Eureka";

W I T N E S S E T H :

WHEREAS, by Indenture of Lease dated June 30, 1937, Richmond-Eureka leased to W. F. James of Toronto, Canada, certain mines and mining properties more particularly described or referred to in said Indenture of Lease; thereafter, with the consent of Richmond-Eureka, W. F. James assigned said Lease to Eureka and Eureka agreed, among other things, to perform each and every covenant and stipulation in said Lease contained to be performed on the part of said W. F. James, and said Lease has, from time to time, been modified or amended by agreement of the parties, the most recent modifications being under an Agreement made as of July 31, 1953; and

WHEREAS, said Agreement made as of July 31, 1953, provides in paragraph 1 on page 2 thereof that Eureka shall be relieved of the work requirements set forth in paragraph 4 of said Lease for such period as it carries on drilling to penetrate the Fad Shaft block of Eldorado dolomite at the rate of not less than sixty (60) drill shifts per calendar month, but in no event beyond January 31, 1955; and

WHEREAS, Richmond-Eureka under date of June 30, 1937, entered into an Agreement with William F. James, he being the same person as W. F. James referred to hereinabove, concerning the acquisition of additional property to be placed under said lease; thereafter, with the consent of Richmond-Eureka, said William F. James assigned said Agreement to Eureka, and Eureka agreed, among other things, to perform each and every covenant and stipulation in said Agreement contained to be performed on the part of said William F. James. Said Agreement provides in paragraph 7 on page 4 that "the parties agree to take a circle having a radius of two (2) miles or a diameter of four (4) miles, with the centre at the Richmond shaft, and it is agreed that if either party, before or during the life of said lease, shall have optioned or acquired, or shall option or acquire, any property within this circle, the other party shall forthwith be notified, and within sixty (60) days after notice shall elect whether the option or property is to be held for the benefit of, or included under said lease; and if it is agreed that the option or property shall be held for the benefit of, or included under the said lease, all necessary steps shall be taken by assignment, conveyance or lease, to the end that the option shall be held for the benefit of, or the property placed under said lease, and the party acquiring and paying for the property shall be reimbursed out of the net proceeds of any ore mined from any of the properties included under said lease; no royalties to be paid, and no other division of net proceeds to be made, until reimbursement is made as aforesaid."

In an Agreement made as of December 29, 1952, the parties recorded their understanding and agreement as to the meaning of the term "net proceeds" as used in said Agreement of June 30, 1937, with William F. James with respect to ores mined from the leased premises; and

WHEREAS, Eureka has optioned and Richmond-Eureka has elected to have included under said Lease certain properties; and

WHEREAS, Eureka has requested that the work requirements under paragraph 4 of said Lease, as modified or amended by said Agreement made as of July 31, 1953, be suspended for a period of eighteen (18) months upon condition that Eureka during such period performs certain work in the Cyanide-Holly-Bullwhacker area, approximately one (1) mile northwesterly from the Fad Shaft, the Richmond-Eureka is willing to accede to such request upon the terms and conditions hereinafter set forth.

NOW THEREFORE, by reason of the premises, it is mutually agreed as follows:

1. That this Agreement shall supersede said Agreement as of July 31, 1953.
2. That, anything in said lease to the contrary notwithstanding, Eureka shall be relieved of the work requirements set forth in Paragraph 4 of said Lease for such period as it causes to be done or performed not less than six hundred and thirty (630) eight (8) hour shifts of mining labor per calendar month in sinking a shaft on the unpatented Little Addie Fraction lode mining claim, driving underground workings from such shaft, drilling holes from such shaft or such workings, servicing such shaft, workings or drilling operations, or in carrying on mining operations through said shaft, but in no event beyond July 1, 1955; thereafter the work requirements in said paragraph 4 shall again become operative.
3. Eureka agrees that it will prior to July 1, 1955, drill two (2) holes (either whipstocked from existing holes or drilled from the surface) to penetrate the Fad Shaft Block of Eldorado dolomite and ore horizons and ore bodies therein. The "Fad Shaft Block of Eldorado dolomite" as used herein means that part of the stratum known as the Eldorado dolomite bounded on the northwest and southwest by the Bowman and Ruby Hill Faults and on the east by the Jackson fault.
4. That anything in said Agreement of June 30, 1937, between Richmond-Eureka and William F. James, as modified or amended, to the contrary notwithstanding, Eureka shall not be reimbursed out of "net proceeds" for moneys paid in acquiring properties included under said Lease but shall pay to Richmond-Eureka rental and royalty on all ores extracted from the premises included under said Lease until commercial production is commenced from said Fad Shaft block of Eldorado dolomite. After such commercial production is so commenced, Eureka may be reimbursed as provided in said Agreement as modified or amended.
5. That from all exploration drill holes in the leased premises, including those undertaken under said Agreement made as of July 31, 1953, the Lessee shall keep representative splits or portions of all cores, sludges, cuttings or other samples obtained in drilling, and pulps from which assays of cores, sludges, cuttings or other drill hole samples have been made, all accurately numbered, labelled and properly stored; and representatives of Lessor shall have the right at all reasonable times to inspect such cores, representative splits or portions thereof, and said pulps and assays thereof, and at the expiration or earlier termination of the Lease, all such representative splits or portions thereof and said pulps shall be delivered to the Lessor and shall be the property of the Lessor.
6. Except as specifically provided herein, Richmond-Eureka waives no rights under said Lease or under said Agreement of June 30, 1937 with William F. James and the Lease and the Agreement, each as heretofore and hereby modified or amended are hereby ratified and confirmed.

IN WITNESS WHEREOF, the parties hereto have executed this Agreement.

(Corporate Seal)

Francis Fiske

Secretary

(Corporate Seal)

Maurice R. Jennings, Jr.

Secretary

RICHMOND-EUREKA MINING COMPANY

by F. S. Mulock
F. S. Mulock, Vice President

EUREKA CORPORATION LIMITED

by T. Lindsley
President

COMMONWEALTH OF MASSACHUSETTS)
) ss.
COUNTY OF SUFFOLK)

On this 21st day of January A.D. 1954, personally appeared before me, George W. White, a Notary Public in and for said Commonwealth of Massachusetts, F. S. Mulock, known to me to be the Vice President of the RICHMOND-EUREKA MINING COMPANY, the corporation that executed the foregoing instrument, and upon oath did depose that he is the officer of said corporation as above designated; that he is acquainted with the seal of said corporation and that the seal affixed to said instrument is the corporate seal of said corporation; that the signatures to said instrument were made by officers of said corporation as indicated after said signatures; and that the said corporation executed the said instrument freely and voluntarily and for the uses and purposes therein mentioned.

In Witness Whereof, I have hereunto set my hand and affixed my official seal at my office in the County of Suffolk, the day and year in this certificate first above written.

(Notarial Seal)

George W. White

My Commission expires:
May 12, 1955

Notary Public in and for the
Commonwealth of Massachusetts

Dominion of Canada

City of Toronto

County of York

Province of Ontario, ss.

On this 27th day of January, 1954 personally appeared before me WILLIAM SYMON MORLOCK, a Notary Public in and for said Province of Ontario, T. Lindsley, known to me to be the President of Eureka Corporation Limited, one of the corporations that executed the foregoing instrument, and upon oath, did depose that he is the officer of said corporation as above designated; that he is acquainted with the seal of said corporation and that the seal affixed to said instrument is the corporate seal of said corporation; that the signatures to said instrument were made by officers of said corporation as indicated after said signatures; and that the said corporation executed the said instrument freely and voluntarily and for the uses and purposes therein mentioned.

In Witness Whereof, I have hereunto set my hand and affixed my official seal at my office in the County of York, the day and year in this certificate first above written.

(Notarial Seal)

W. S. Morlock

Notary Public in and for the
Province of Ontario

Recorded at the request of Walter Paroni February 2 A.D. 1954 At 55 minutes past 11 A.M.

R. W. Gibson - Recorder